

State of Montana

Employee Benefits Bureau

2006 Retiree Booklet



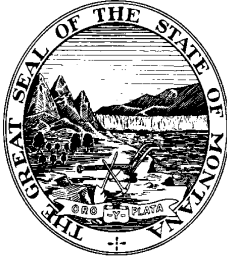
Managing your insurance benefits at retirement

Department of Administration • State Personnel Division • Room 125 • Mitchell Building

PO Box 200127 • Helena MT • 59620-0127

1-800-287-8266 or 444-7462 in Helena

www.hr.mt.gov



DEPARTMENT OF ADMINISTRATION
STATE PERSONNEL DIVISION

STATE OF MONTANA

Mitchell Building, Room 125
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Helena Montana 59620-0127

(406) 444-7462
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Retirees,

This booklet contains information about your options for continuing with the State Employee Group Benefits Plan as a 2006 retiree. **Please disregard this information if you have already made your retiree elections through your agency payroll.** If you are making your elections now, please read all the information carefully.

Your options, explanations, and description of required forms are described in detail below.

You can continue coverage with the State Employee Group Benefits Plan as a retiree if you are eligible at the time you leave active State employment, to receive a monthly retirement benefit under the application provisions of your particular retirement system. If you have elected a defined contribution retirement plan, the requirements for receiving a monthly retirement benefit under the defined benefit plan option of your retirement system apply. It does not matter whether you decide to actually draw a monthly benefit, elect the defined benefit lump sum distribution, or postpone withdrawal of your benefit. If you do not continue State Employee Group Benefits, or if you let your coverage lapse, you may not reinstate coverage at a later date.

Transfer Coverage: A retiree may choose to transfer coverage and become a dependent of an active or retired spouse on the State Plan while still retaining the right to return to coverage under his or her own name at a later date, if needed. A retiree who transfers onto another State Employee Benefit Plan member's coverage does not have to begin a new deductible for the remainder of the plan year or incur the 12-month waiting period on pre-existing conditions. If you transfer to your spouse's coverage and your spouse is an active employee, you may be able to transfer some or your entire plan C elective life insurance. Contact the Benefits Bureau for more information. If you transfer to your retired spouse's coverage, you lose all life insurance coverage. If your retiree coverage is reinstated due to termination of your spouse's employment, death, or divorce, and you are not Medicare eligible, Plan A basic life insurance coverage is reinstated.

Your options if you are NOT Medicare eligible: If you choose to continue state benefits, are under age 65, and not Medicare eligible, you must continue the core plan which includes medical, dental, and basic life. Continuing existing medical and/or dental coverage on dependents is optional. You are not eligible for group coverage of elective life or accidental death and dismemberment (AD&D) benefits. Please consult the Life Insurance conversion information for information on converting to an individual policy. If you have group Long Term Care Insurance through Unum Life Insurance, contact the Employee Benefits Bureau at the above listed number for a form to continue this insurance by converting to an individual policy. This form must be submitted to the Benefits Bureau within 31 days of the end of group coverage.

Your options if you are Medicare eligible: If you choose to continue state benefits, and you are age 65 or over or otherwise eligible for Medicare, you must continue medical coverage. Continuing Dental for yourself and any existing Medical and/or Dental coverage on dependents is optional. You are not eligible for group coverage of any life or AD&D benefits. See the enclosed Life Insurance Conversion Information Sheet for individual policy options. If you have group Long Term Care Insurance through UNUM Life Insurance, contact the Employee Benefits Bureau at the above number for a form to continue this insurance by converting to an individual policy. This form must be submitted to the Benefits Bureau within 31 days of the end of group coverage.

Medical Plan Choices: At the time you retire, you must decide which medical plan to choose. You can either continue your current Medical plan or choose a Medical Plan with a higher deductible for the remainder of the plan year, by indicating your choice on the Retiree Election Form. You will be able to elect any of the medical plans at the beginning of each plan year by making elections during the annual change period.

IMPORTANT NOTICE TO MEDICARE-ELIGIBLE MEMBERS: At age 65, or any time you or your spouse (if covered by the State Plan) become Medicare eligible and enroll in both Part A and Part B Medicare coverage, please notify the Employee Benefits Bureau. If you do not provide proof of enrollment in Part A and Part B coverage, your State coverage pays as the primary carrier. In that case, your rate will continue to be based on the higher non-Medicare insurance rate for you and/or your spouse, and will not drop until proof of Medicare coverage is provided. See the Employee Benefits Summary Plan Document for more information. To assure full coverage, contact your local Social Security Administration Office to enroll in Medicare Part B, if you have not already done so and to confirm Medicare Part A coverage.

MEDICARE PART B ENROLLMENT: If you or your spouse are a) over age 65, b) waived Medicare Part B coverage at the time you turned 65 because you had active employee State Plan coverage, and c) plan to elect Medicare Part B now due to termination of employment, you must act promptly to avoid penalties by Medicare for late enrollment. Contact your agency payroll clerk for a letter verifying your State Plan coverage for Medicare purposes.

MEDICARE PART D ENROLLMENT: Medicare Part D is prescription drug coverage available from Medicare in 2006. You may have already received information from Medicare regarding the specific benefits of this new prescription drug coverage along with cost and enrollment information. As a member of the State Plan, your benefit package includes prescription drug coverage, which has been determined to be better than the basic Part D benefits for 2006. Most State of Montana retirees will have better prescription drug coverage, at a lower cost, by keeping the State of Montana plan for 2006 and not enrolling in Medicare Part D. For more information, call the Employee Benefits Bureau.

Disability Waiver of Life Insurance Premium: If you are retiring prior to age 60, and are permanently and totally disabled, you may qualify for waiver of life insurance premium through Standard Life Insurance. Contact the Employee Benefits Bureau for more information.

Vision Coverage: Retirees who continue Core Benefits, may also continue existing optional vision coverage. Coverage benefits are described in detail on the vision page of this booklet.

Long Term Care Coverage: If you are currently enrolled with Long Term Care Coverage, you will receive conversion information shortly after your retirement. If you are interested in purchasing this coverage, please contact the Benefits Bureau for a long-term care packet.

Long Term Disability Coverage: If you are currently enrolled in Long Term Disability coverage, your coverage will end as of the date you retire.

Dependent Coverage Options: Continuing existing Medical and/or Dental and/or Vision coverage on dependents is optional, but you must elect to continue existing Medical coverage for your dependents within the 60-day grace period after your employee coverage terminates. Any eligible dependent may be added to Dental coverage during the Annual Change period. To continue dependent Dental coverage, the retiree must also continue Dental coverage.

New dependents can be added to Medical and/or Dental ONLY if the request is made within 63 days of the qualifying event (marriage, birth, or adoption/guardianship). Existing dependents can only be added to Medical if they are **losing eligibility** for other group coverage (or if there is a substantial decrease in the level of existing coverage, as determined on an individual basis by the Employee Benefits Bureau) and the request is made within 63 days of the termination date of the other coverage.

Flexible Spending Account Options: If you did not pre-pay the remainder of your annual flexible spending account election, your account(s) terminate(s) the end of the month in which full or partial payment has been contributed. You have 120 days after the day your account terminates to submit receipts for eligible expenses incurred during the time your account was active (between January 1 and the day your employee coverage terminates, in the year you retire). If you submit receipts more than 120 days after your account terminates, you will not be eligible for reimbursement for those expenses.

Premium Payment Options:

1) **Automatic Deduction from MPERA Benefit Allowance:** The Benefits Bureau can advise you of the first payment, which can be deducted from your MPERA benefit. You may choose to self-pay premiums to the Employee Benefits Bureau for any months prior to the date MPERA deductions begin.

2) **Monthly Self-Payment to the Employee Benefits Bureau:** Premiums are due on the first of each month with a 10 day grace period. No monthly bills are sent. However, coupon books are provided.

3) **Electronic Premium Deduction from a Checking or Savings Account:** Premiums are deducted from the designated account on the 6th of each month or the following working day if the 6th falls on a weekend or holiday. You must complete an Electronic Premium Deduction Authorization form (included in this packet).

4) **Pre-payment Prior to Leaving:** You may prepay premiums out of your final check. This option is only available if your final paycheck has not been received. To pre-pay, you must complete a Retiree Pre-Payment Option form (included in this packet if you have not yet retired).

You must mark your method of payment on the Retiree Election Form. If you do not check an option, we will assume that you are self-paying monthly.

How to Continue Coverage: Complete the Retiree Election Form and return the white copy to the Employee Benefits Bureau, Room 125, Mitchell Building, PO Box 200127, Helena MT 59620-0127. If you are under age 65 and not receiving Medicare, please complete and return the Life Insurance Enrollment/Change Form, which is included in this packet, to update your beneficiary information. To convert life insurance or long-term care coverage, contact the Employee Benefits Bureau. If you have questions, call 444-7462 if calling from Helena or 1-800-287-8266 if outside Helena, or e-mail us at BenefitsQuestions@mt.gov.

2006 Retiree Benefits at a Glance

All Retirees:

Spouse Coverage Options

1. If you work for the state but your spouse does not, you may continue coverage for your spouse after you retire. If you do not cover your spouse currently, you may only add your spouse to your coverage within 63 days of when your spouse loses eligibility for other coverage.
2. If you and your spouse both work for the state, the working spouse may cover the retired spouse. The retired spouse retains the right to exercise the transfer option.

Please note: Dependent medical or dental coverage can only be continued if the retiree continues medical and/or dental coverage.

Medical coverage includes the prescription drug plan, bi-annual health screenings, and the employee/retiree assistance program.

Payment Options:

- ✓ Automatic Deduction from PERA benefit
- ✓ Monthly self-payment to Employee Benefits (this option includes VEBA if eligible)
- ✓ Electronic deduction from checking or savings
- ✓ Pre-pay out of final paycheck for the remainder of the benefit year (**This option is only applicable if you have not yet received your final paycheck**)

Non-Medicare Retirees:

Required: Core Benefits Plan

- Medical (on self)
- Dental (on self)
- Basic Life (\$14,000 term life)

Optional: Dependent Medical Coverage
Dependent Dental Coverage
Vision Coverage (self and/or dependents)

Cancelled: Optional Supplemental Life Insurance
Flexible Spending Accounts (unless pre-paid out of the final check for the remainder of the benefit year)
Long Term Disability
Pre-tax Plan
Long Term Care

Medical Plan Options:

Traditional Indemnity Plan

New West Managed Care
Blue Cross/Blue Shield Managed Care
PEAK Managed Care

} where available

Medicare-eligible retirees:

Required: Medical (on self)

Optional: Dental (on self)
Dependent Medical coverage
Dependent Dental coverage
Vision coverage (self & dependents)

Cancelled: All Life Insurance
Flexible Spending Accounts (unless pre-paid out of the final check for the remainder of the benefit year)
Long Term Disability
Pre-tax Plan
Long Term Care

Medical Plan Options:

Traditional Indemnity Plan

New West Managed Care
Blue Cross/Blue Shield Managed Care
PEAK Managed Care

} where available

How to Elect:

You must notify the Employee Benefits Bureau if you want to continue coverage by completing the Retiree Election Form.

ANNUAL BENEFIT PLAN SUMMARY

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MEDICAL PLAN



Blue Cross/Blue Shield of Montana • 1-800-423-0805 or 444-8315
www.bluecrossmontana.com

New West Health Plan • 1-800-290-3657 or 457-2200
www.newwesthealth.com

Peak Health Plan • 1-866-368-7325
www.healthinfontmt.com

MEDICAL LIFETIME MAXIMUMS

Each Plan has a set maximum payable. This maximum is per person, per lifetime. The amounts shown below are the amounts that the plan would pay on an individual.

Traditional Plan: \$1,000,000 lifetime maximum; Additional \$2,000 available annually after the lifetime maximum is met.

Managed Care Plans: \$1,000,000 lifetime maximum; Additional \$2,000 available annually after the lifetime maximum is met.

MEDICAL PLAN COSTS

Annual Deductible*

(Applies to all services, unless otherwise noted or a co-payment is indicated)

Coinsurance Percentages

General
Preferred Facility Services
Nonpreferred Facility Services

Annual Out-of-Pocket Maximums*

(Maximum coinsurance paid in the year; excludes deductibles and copayments)

*You pay deductible and coinsurance on allowable charges only

MEDICAL PLAN SERVICES

Hospital Services

(Inpatient services must be certified. Pre-certification is strongly recommended.)

Room Charges

Ancillary Services

Surgical Services

Outpatient Services

BENEFIT YEAR 2006

NON-MEDICARE MEDICAL RATES (under age 65)

| Monthly Premiums | Traditional | Blue Choice | Peak | New West |
|-------------------------------------|-------------|-------------|-------|----------|
| Retiree | \$475 | \$459 | \$431 | \$388 |
| Retiree & spouse | \$647 | \$622 | \$593 | \$538 |
| Retiree & children | \$601 | \$578 | \$552 | \$501 |
| Retiree & family | \$675 | \$648 | \$618 | \$561 |
| Retiree & Medicare spouse | \$558 | \$537 | \$514 | \$467 |
| Retiree & Medicare spouse and child | \$586 | \$564 | \$538 | \$489 |

MEDICARE MEDICAL RATES (age 65 +)

| Monthly Premiums | Traditional | Blue Choice | Peak | New West |
|---|-------------|-------------|-------|----------|
| Medicare retiree | \$186 | \$186 | \$173 | \$155 |
| Medicare retiree & spouse | \$394 | \$382 | \$368 | \$335 |
| Medicare retiree & children | \$334 | \$326 | \$314 | \$287 |
| Medicare retiree & family | \$416 | \$403 | \$387 | \$353 |
| Medicare retiree & Medicare spouse | \$345 | \$336 | \$324 | \$295 |
| Medicare retiree & Medicare spouse & family | \$381 | \$370 | \$356 | \$324 |

TRADITIONAL PLAN

MANAGED CARE BENEFIT PLANS

BLUE CHOICE - Administered by Blue Cross/Blue Shield of MT
NEW WEST - Administered by New West Health Plan
PEAK - Administered by Peak Health Plan

Administered by BCBS

In-Network Benefits

Out-of-Network Benefits

\$550/Member
\$1,650/Family

\$400/Member
\$800/Family

Separate \$500/Member
Separate \$1,000/Family

25%
20%
35%

25%

35%

Average of \$2,500/Member
(20% - 35% of \$10,000 in allowable charges)

\$2,000/Member
\$4,000/Family

Separate \$2,000/Member
Separate \$4,000/Family

Average of \$5,000/Family
(20% - 35% of \$20,000 in allowable charges)

Coinsurance:

Coinsurance/Copayment:

Coinsurance:

20% - 35%

25%

35%

20% - 25%

25%

35%

20% - 25%

25%

35%

20% - 35%

25%

35%

20% - 35%

25%

35%

ANNUAL BENEFIT PLAN SUMMARY

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MEDICAL PLAN COSTS

Physician Services

Office Visits

Inpatient Physician Services

Lab/ Ancillary/Miscellaneous Charges

Allergy Shots

Emergency Services

Ambulance Services for Medical Emergency

Emergency Room

Hospital Charges

Professional Charges

Urgent Care Services

Facility/Professional Charges

Lab & Diagnostic Charges

Maternity Services

Hospital Charges

Physician Charges

Prenatal Office Visits

Routine Newborn Care

Inpatient Hospital Charges

Preventive Services

Adult Exams and Tests

Mammogram, gyno exam and pap, proctoscopic
and colonoscopic exams, PSA tests, bone density tests

Adult Immunizations (Pneumonia and Flu)

Child Checkups and Immunizations

Mental Health Services

Inpatient Services

(Inpatient services must be certified. Pre-certification is strongly recommended.)

Max: One inpatient day may be exchanged for two partial hospital days.

Outpatient Services

With EAP counselor referral

With NO EAP counselor referral

BENEFIT YEAR 2006

| TRADITIONAL PLAN | MANAGED CARE IN-NETWORK | MANAGED CARE OUT-OF-NETWORK |
|--|--|---|
| 25% (no deductible for first two non-routine office visits) | \$15/visit (no deductible some lab & diagnostic included) | 35% |
| 25% | 25% | 35% |
| 25% | 25% | 35% |
| 25% (no deductible) | \$15/visit | 35% |
| 25% | \$100 copay | \$100 copay |
| 20%-35% | \$75/visit for facility charges only (waived if inpatient hospital or out-patient surgery coinsurance applies) | \$75/visit for facility charges only |
| 25% | 25% | 25% |
| 25% | \$25/visit | \$25/visit |
| 25% | 25% | 35% |
| 20% - 35% | 25% | 35% |
| 25% | 25% | 35% |
| 25% | \$50 global copay (routine office visits) | 35% |
| 20% - 35% (no deductible) | 25% | 35% |
| 25% (no deductible) Max: 2 bone density tests/lifetime Max: \$500 for colonoscopy, sigmoidoscopy, or proctoscopy | \$15/visit (periodic physicals covered, including PSA, PAP, basic blood panel, and other limited lab work) \$0 co-pay for mammogram 25% for bone density scan, sigmoidoscopy, colonoscopy, proctoscopy | 35% (Plan pays for \$75 for mammogram no deductible) |
| Not covered | \$15 with office visit 25% (no deductible) without office visit | 35% |
| 25% (no deductible) 0% (no deductible for County Health Department through age 5) | \$15/visit Max: Academy of Pediatrics Definitions (through age 18) | 35% |
| 20% - 35% 21 days (No max for severe conditions) | 25% 21 days (No max for severe conditions) | 35% 21 days (No max for severe conditions) |
| 25% Max: 40 visits (No max for severe conditions) | \$15/visit Max: 30 visits (No max for severe conditions) | 35% Max: 30 visits (No max for severe conditions) |
| 50% Max: 20 visits (No max for severe conditions) | \$15/visit Max: 30 visits (No max for severe conditions) | 35% Max: 30 visits (No max for severe conditions) |

ANNUAL BENEFIT PLAN SUMMARY

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MEDICAL PLAN COSTS

Chemical Dependency

Inpatient Services*

(Inpatient services must be certified. Pre-certification is strongly recommended.)

Outpatient Services*

With EAP counselor referral

With NO EAP counselor referral

*Dollar max for all Chemical Dependency Services: Combined inpatient/outpatient max of \$6,000/year; \$12,000/lifetime; \$2,000/year after max is met.

Rehabilitative Services

Physical, Occupational, Cardiac, Pulmonary, and Speech Therapy

Inpatient Services

(Inpatient services must be certified. Pre-certification is strongly recommended.)

Outpatient Services

Alternative Health Care Services

Acupuncture

Naturopathic

Chiropractic

Extended Care Services

Home Health Care

(Physician ordered/prior authorization recommended)

Hospice

Skilled Nursing

Miscellaneous Services

Dietary/Nutritional Counseling

(When medically necessary and physician ordered)

Durable Medical Equipment, Appliances, and Orthotics

(Prior authorization required for amounts >\$500)

PKU Supplies

Organ Transplants

(Must be certified. Pre-certification is strongly recommended.)

Transplant Services

Lifetime Maximums:

BENEFIT YEAR 2006

| TRADITIONAL PLAN | MANAGED CARE IN-NETWORK | MANAGED CARE OUT-OF-NETWORK |
|--|--|---|
| 20% - 35% | 25% | 35% |
| 25% Max: 40 visits and Dollar Limit* | \$15/visit Max: Dollar Limit* | 35% Max: Dollar Limit* |
| 50% Max: 20 visits and Dollar Limit* | \$15/visit Max: Dollar Limit* | 35% Max: Dollar Limit* |
| | | |
| 20% - 35% Max: 60 days | 25% Max: 60 days | 35% Max: 60 days |
| 25% Max: \$2,000/year for all outpatient (\$10,000/year for prior-auth. conditions) | \$15/visit Max: 30 visits | 35% Max: 30 visits |
| | | |
| 25% (plus charges over \$30/visit) | Not covered | Not covered |
| 25% (plus charges over \$30/visit) | Not covered | Not covered |
| 25% (plus charges over \$30/visit) Max: 25 visits in any combination for alternative health care | \$15/visit Max: 20 visits | 35% Max: 20 visits |
| | | |
| 25% Max: 70 days | \$15/visit Max: 30 visits | 35% Max: 30 visits |
| 25% (20% - 35% if hospital-based) Max: 6 months | 25% Max: 6 months | 35% Max: 6 months |
| 25% (20% - 35% if hospital-based) Max: 70 days | 25% Max: 30 days | 35% Max: 30 days |
| | | |
| 20% - 35% Max: \$250 | \$15/visit | 35% |
| | | |
| 25% Max: \$100 for foot orthotics (per foot) | 25% (Not applied to out-of-pocket max) Max: \$100 for foot orthotics (per foot) | 35% Max: \$100 for foot orthotics (per foot) |
| 25% | Plan pays for 100% for services required under State mandate. | 35% |
| | | |
| 25% • Liver: \$200,000 • Heart: \$120,000 • Lung: \$160,000 • Heart/Lung: \$160,000 • Bone Marrow: \$160,000 • Pancreas: \$68,000 • Cornea/Kidney: No maximum | 25% \$500,000 lifetime maximum with \$5,000 of the maximum available for travel to and from the facility. | Not covered |

LIFE INSURANCE CONVERSION INFORMATION

Upon loss of eligibility for group life insurance coverage with the State of Montana, Employee Group Benefits Plan members are eligible for conversion to an individual policy with the carrier at higher guarantee-issue, individual policy rates.

A member loses eligibility for group life coverage when:

1) *The member retires from the State of Montana;*

If under age 65 and not Medicare eligible, Basic Life – Plan A, must be continued at the group rate. If over age 65 or otherwise Medicare eligible, Plan A may be converted. All remaining group life insurance is lost, and all except AD&D is eligible for conversion.

2) *The member is on an extended leave of absence;*

Once the 12-month “employee” self-pay option is exhausted, the member retains COBRA rights on Medical and Dental coverage. All life insurance, except AD&D, is eligible for conversion.

NOTE: If you retired before age 60, and are permanently and totally disabled you may qualify for waiver of premium through Standard Life Insurance. Contact the Employee Benefits Bureau for more information.

******* CONVERSION *******

All members who lose eligibility for the State Employee Group Benefits Plan (described above) have life insurance coverage for an additional 31-day period following the termination date of their State Plan coverage. This is the “**Conversion Period**”. In order for life insurance coverage to be continued after the conversion period, the member must: 1) request conversion information before the end of their “Conversion Period”; and 2) complete and return all forms, along with payment, to Standard Insurance Company.

Non-Medicare Retirees Only: Complete and return the Standard Life Insurance Enrollment/Change form to the Employee Benefits Bureau, in order to update your beneficiary information for Plan A coverage.

All Retirees: To convert Plan A (if Medicare eligible or on COBRA), Plan B, C or D, complete and return the self-addressed Standard Life Insurance Conversion Card to Standard Life Insurance or call Standard at 1-800-378-4668, extension 6785.

PRESCRIPTION DRUG PLAN - 2006



Administered by PharmaCare • 1-888-347-5329 • www.pharmacare.com

Retail Pharmacy Deductible

\$100/Member
\$300/Family

Out-of-Pocket Maximums

| | |
|-------------------|--------------|
| Each Prescription | \$250 |
| Each Member | \$1,400/year |
| Each Family | \$2,800/year |

| Type of Drug Supply Amount | Local Pharmacy Costs • 30-day maximum | Mail Order Pharmacy Costs • 90-day maximum |
|---|---|---|
| Generic If Rx cost is <\$10 If Rx cost is \$10+ | • Actual pharmacy charges • 10% coinsurance (\$10 minimum) | • \$20 copay + 10% of cost over \$400* |
| Brand, Formulary If Rx cost is <\$18 If Rx cost is \$18+ | • Actual pharmacy charges • 20% coinsurance (\$18 minimum) | • \$40 copay + 20% of cost over \$400* |
| Brand, Nonformulary If Rx cost is <\$26 If Rx cost is \$26+ | • Actual pharmacy charges • 30% coinsurance (\$26 minimum) | • \$60 copay + 30% of cost over \$400* |

* For prescriptions costing more than \$400 for a 90-day supply, call Eckerd Health Services to determine the total out-of-pocket cost.

GENERAL INFORMATION

PRESCRIPTION OPTIONS

Prescription drugs may be obtained through the plan at either a local pharmacy or a mail-order pharmacy.

Local Pharmacies

You may obtain up to a 30-day supply of all covered prescriptions from a local pharmacy. Prescriptions filled at a retail pharmacy are subject to a \$100 per person or \$300 per family deductible. If you use a pharmacy in the PharmaCare Preferred Network and have met your deductible, you only pay the plan copay and any coinsurance. You will have no unallowed charges.

Up to date network pharmacies and formulary drug lists can be found at the PharmaCare web site:
www.pharmacare.com.

SPECIALTY PHARMACY

This program provides assistance and resources for members with special needs who take high dollar oral, intravenous, or injectable medications for conditions such as Multiple Sclerosis, Rheumatoid Arthritis, Cancer, and Hepatitis. Call 1-866-856-2093 for more information.

Note:

The deductible does not apply to prescriptions received from one of the mail order pharmacies!

Mail-Order Pharmacies

You may obtain up to a 90-day supply of all covered prescriptions. Mail order pharmacies are: PharmaCare Direct (1-888-347-5329) or Ridgeway Pharmacy (1-800-630-3214). Mail order forms are available at Employee Benefits or at the PharmaCare website at www.pharmacare.com

PRESCRIPTION COSTS

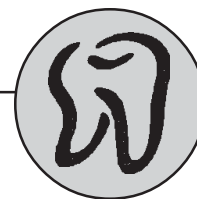
Please refer to the chart above for information on prescription drug costs.

PRIOR AUTHORIZATIONS

Some drugs require prior or special authorization. Contact PharmaCare to inquire if this may apply to your prescription.

For information on drug prior authorizations, vacation overrides, or any other questions, call PharmaCare at 1-888-347-5329.

DENTAL PLAN - BENEFIT YEAR 2006



Administered by Blue Cross/Blue Shield of Montana
1-800-423-0805 or 444-8315 • www.bluecrossmontana.com

Deductible

\$50/Member
\$150/Family

Monthly Premiums

| | |
|--------------------------------------|---------|
| Retiree only | \$27.80 |
| Retiree and spouse | \$33.80 |
| Retiree and children | \$40.80 |
| Retiree and family | \$45.80 |
| Retiree and Medicare spouse | \$33.80 |
| Retiree and family (Medicare spouse) | \$45.80 |

Covered Services

Type A: Preventive and Diagnostic

Plan Pays

• 100%**

Limitations/Maximums

- One full-mouth X-ray or series in any 36-month period.
- One set of supplementary bitewing X-rays in any 180-day period.
- Two exams and/or cleanings in any benefit year. (Fluoride application covered through age 19.)
- No deductible or yearly dollar maximum apply.

Type B: Fillings, Oral Surgery, etc.

• 80%**

- Subject to \$50 combined (with type C) deductible
- Subject to \$1,000 combined (with type C) yearly maximum

Type C: Dentures, Bridges, etc.

• 50%**

- Subject to \$50 combined (with type B) deductible
- Subject to \$1,000 combined (with type B) yearly maximum
- Replacement crowns and dentures are limited to once every five years.
- Dental sealants – limited to covered dependents under age 16 – may be applied to molars once per tooth per lifetime.

**Of allowable charges.

Dental plan benefits are paid differently depending on the type of service received. There is a \$50 per member, \$150 family deductible for Type B & C services only. Deductible does not apply to Type A preventive services.

Each member and dependent has a yearly maximum benefit of \$1,000 for Type B & C services only. Maximum dollar benefit does not apply to Type A preventive services.

If you use a Blue Cross participating dentist, you will not be responsible for costs beyond the allowable charges for covered services. You may find a participating dentist at the Blue Cross/Blue Shield website (listed above) or by calling Customer Service (number listed above).

TYPE A SERVICES

The Dental Plan pays 100 percent of the allowable charges for Type A Services and are not subject to deductible:

1. Diagnostic – Dental X-rays required in connection with the diagnosis of a specified condition requiring treatment. Dental X-rays are limited to one full mouth X-ray or series in any 36-month period and one set of supplementary bitewing X-rays in any 180-day period.

2. Preventive – Oral examination, including prophylaxis (cleaning) and topical application of fluoride for dependent children under 16 years of age, but *not more than two examination and/or application in any benefit year.*

3. Unscheduled minor emergency treatment to relieve pain.

TYPE B SERVICES

The Dental Plan pays 80 percent of the allowable charges (after deductible) for Type B Services:

1. Passive space maintainers
2. Extractions
3. Fillings
4. Mucogingivoplastic surgery
5. Endodontics
6. Periodontics
7. Oral surgery

TYPE C SERVICES

The Dental Plan pays 50 percent of the allowable charges (after deductible) for Type C Services:

1. Crowns, bridge abutments (bridge retainers crowns), inlays, onlays, pontics and gold and porcelain fillings. Replacement of crowns is limited to once every five years.

2. Bridges.

3. Repair and rebasing of existing dentures.

4. Initial and replacement dentures, limited to no more than one set of replacement dentures in any 5-year period.

5. Up to \$1,500 per person, per lifetime for Dental Implants while under the plan. Maximum separate from yearly maximum. All related services included in maximum and payable at 50% of allowed charges.

6. Dental sealants, limited to covered dependents under age (16) applied to molars once per tooth per lifetime. Repair and resealing are not covered.

VISION PLAN - 2005 & 2006



Administered by VSP Well Vision
1-800-877-7195 • www.vsp.com

Monthly Premiums

| | |
|----------------------|---------|
| Retiree only | \$ 8.44 |
| Retiree and spouse | \$13.34 |
| Retiree and children | \$13.60 |
| Retiree and family | \$21.94 |

| Covered Services | Frequency | Coverage from a VSP Doctor | Out of Network Reimbursement |
|------------------|-----------|--------------------------------------|---|
| Eye Exam | 12 months | \$10 copay | Up to \$45 allowance |
| Frames | 24 months | Up to \$120 allowance | Up to \$47 allowance |
| Lenses | 24 months | \$20 copay applied to lenses & frame | Up to \$45 allowance - single vision Up to \$65 allowance - lined bifocal Up to \$85 allowance - lined trifocal |
| Contact Lenses | 24 months | Up to \$105 allowance | Up to \$105 allowance |

GENERAL INFORMATION

Using Your VSP Benefit

To access your benefits, you simply make an appointment with a VSP doctor, tell the doctor you are a VSP member when you set the appointment, and provide the doctor with the covered member's identification number. VSP and the doctor will handle the rest by verifying your benefits and eligibility for services.

Locating your VSP Doctor

There are two convenient ways to locate a VSP doctor near your home or office or to verify that your doctor is a VSP doctor. You can check the Web Site at www.vsp.com or call member services at 800-877-7195.

Value Added Discounts

Laser Vision Care - VSP has contracted with many of the nation's finest laser surgery facilities and doctors, offering you a discount off PRK & LASIK surgeries, available through contracted laser centers. Visit VSP's Web Site to learn more.

Contact Lenses - VSP offers valuable savings on annual supplies of certain brands of contacts. You can receive these VSP member preferred prices, even if you use your coverage for glasses. Visit the Web Site or ask your doctor for details.

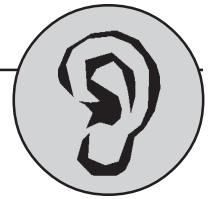
Prescription Glasses - Receive 20 percent savings when you purchase non-covered pairs of prescription glasses, including prescription sunglasses from the same VSP doctor within 12 months of your last exam.

Out-Of-Network Providers

Although more than 90 percent of VSP members receive care from VSP doctors, you have the option of seeing an out-of-network provider. If you see an out-of-network provider, be aware your out-of-network benefits do not guarantee full payment. For out-of-network reimbursement, pay the entire bill when you receive services, then send your itemized receipt to VSP within six months from your date of service. Included with your receipt should be the covered member's name, phone number, address, member ID, the name of the group, the patient's name, date of birth, phone number and address, and the patient's relationship to the covered member. Send to: VSP, PO box 997105, Sacramento, CA 95899-7105.

RETIREE ASSISTANCE PROGRAM - 2006

Administered by Reliant Behavioral Health (RBH) • 1-866-750-0512 • www.ReliantBH.com



Covered Services

Short-term Services
Counseling
Legal Consultations
Financial Consultations

Long-term Services
Counseling
Psychiatric Services
Chemical Dependency Services

Costs

- Free
- Free
- Free
- 25% with APS referral
- 25% with APS referral
- 25% with APS referral

Annual Maximums

- 4 visits per issue
- 1/2 hour consultation
- unlimited
- 40 outpatient visits
- 40 outpatient visits
- 40 outpatient visits

*Inpatient and Non-referred Services are covered in the Mental Health section of the Annual Benefit Plan Summary.

GENERAL INFORMATION

WHO IS ELIGIBLE?

The Retiree Assistance Plan is an additional benefit for all state retirees enrolled in a medical insurance plan. There is no separate premium for this plan, and it includes all dependents living in your household.

THE BENEFITS

The EAP benefits provide a variety of services including confidential counseling, legal and financial services, access to the Personal Advantage website, and 24-hour, toll-free access to crisis counselors.

CONFIDENTIAL COUNSELING

The EAP offers local, short-term counseling for a variety of issues including family, relationship, work stress, anxiety, grief, and other problems that may challenge you on a daily basis. You and your family members are eligible for up to 4 counseling sessions for each issue you encounter.

If a plan member involved in short-term counseling needs a higher level of care or long-term counseling, RBH will initiate a referral for the appropriate care. See your medical plan for coverage of longer-term services such as psychiatric care, chemical dependency, and longer-term counseling.

Traditional plan members will receive a better benefit for outpatient visits when they first obtain an RBH referral.

Managed care members do not need a referral to use RBH for short-term counseling needs. Please contact your plan administrator to determine referral requirements

prior to receiving long-term benefits.

By utilizing the services provided by RBH at no direct cost to the member, the plan also experiences cost savings, which are ultimately passed on to all of the plan participants.

HELP IS HERE!

To schedule an appointment for:

- confidential counseling
- legal or financial services
- 24-hour crisis assistance.

CALL

1-866-750-0512

PERSONAL ADVANTAGE WEBSITE

The EAP includes a wellness focused website, Personal Advantage, where you can access self-care tools and up-to-date information on work stress, parenting, relationships, personal growth, health, and child & eldercare resources, along with more than 60 on-line trainings.

To log in to Personal Advantage

1. Go to www.ReliantBH.com
2. Click on the Register button
3. Follow the Registration instructions.

24-HOUR CRISIS HELP

Crisis counselors are available 24 hours a day, 365 days a year to assist you or a family member experiencing a crisis situation. To access, call 1-866-750-0512.

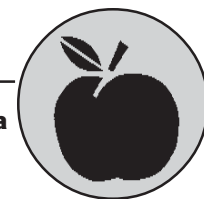
LEGAL & FINANCIAL SERVICES

You have convenient access to legal and financial professionals by simply contacting the EAP.

Legal services include a free, half-hour consultation, by phone or in person, followed with a 25% discount in legal fees. *Legal services are not provided for any employer related issues.*

Financial services provide unlimited phone access to financial professionals for assistance and appropriate referrals for a variety of issues such as debt counseling, budgeting, college planning, retirement planning, etc. Members who retain financial professionals receive a 25% discount for services.

WELLNESS PROGRAMS - 2006



Provided by the State of Montana Employee Benefits Bureau • 1-800-287-8266 or 444-7462 in Helena
www.state.mt.us/doa/spd/benefits/Wellness/wellness.asp

| 2006 Programs | Cost | Benefits |
|-------------------|---------------------------|--|
| Health Screenings | Free biennially to member | <ul style="list-style-type: none">• Confidential screenings for glucose, cholesterol, HDL, LDL, and triglycerides• Blood pressure and body mass index• Optional health screening tests and flu shots when available• Information on risk reduction through life-style modifications |
| Weight Watchers | | <ul style="list-style-type: none">• Helps pay for qualifying employees to join Weight Watchers and get fit with up to \$75 biennial reimbursement |
| Smoking Cessation | | <ul style="list-style-type: none">• Helps smokers quit through a step-by-step program, group support, health care provider presentations, and help from former smokers |

GENERAL INFORMATION

The Wellness Program is designed to assist plan members in their effort to enhance their health. Make sure to check the Website regularly for information on healthy life-style choices and new programs.

HEALTH SCREENINGS

This program offers confidential individual health risk screenings and assessments for:

- glucose, cholesterol, HDL, LDL, and triglycerides;
- blood pressure and body mass index;
- optional screenings including, PSA, TSH, CBC, Homocysteine, C-Reactive Protein, and flu shots when available.

Lab and health risk assessment results will be available for both the employee and the employee's physician as well as information on risk reduction through life-style modifications.

The health screening is offered free every other year to the medical plan member. Check the website for dates, locations, and registration at <https://hr.mt.gov/healthscreening>

WEIGHT WATCHERS

The Wellness program will reimburse employees \$75/biennially for participation in a Weight Watchers program when the following four criteria are met:

#1 Weight - Your beginning weight must be at least 10% over the maximum weight for your age (see Weight Watchers chart.)

#2 Attendance - You must attend at least 75% of the classes offered.

#3 Achievement - You must achieve the 10% weight loss goal set in advance by the Weight Watchers instructor. This means that you need to meet the goal but can take longer than 13-14 weeks. However, the reimbursement is based on the 13-14 week program costs.

#4 Exercise - You must participate in some form of exercise three times per week and keep a journal of those activities.

For more information on program qualifications and reimbursement instructions, contact the Wellness Program.

SMOKING CESSATION HELP

Employees who want to stop smoking may be partially reimbursed for participation in a smoking cessation class. Call the Wellness program for more information.

TELEBUDDY OF MONTANA

This program is designed to increase breast health awareness by promoting breast self exam, mammography, and clinical breast exams. Learn what is normal for you so you can detect any changes in your breasts. Do your monthly breast self exam and call a friend and remind her to do the same. Call the Wellness program for more information and a reminder magnet.

PERSONAL ADVANTAGE WEBSITE

This website offers a wide variety of information to improve your health such as fitness & exercise, nutrition, weight management, and smoking cessation. You will also find information for all stages of life from maternity and child development to elder care. Just log on to www.ReliantBH.com.



RESOURCES



MONTANA EMPLOYEE BENEFITS BUREAU
1-800-287-8266 or 444-7462 in Helena
www.state.mt.us/doa/spd/benefits/healthbenefits.asp

General benefits information and contacts.

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BLUE CROSS AND BLUE SHIELD OF MONTANA
1-800-423-0805 or 444-8315 in Helena
www.bluecrossmontana.com

NEW WEST HEALTH PLAN
1-800-290-3657 or 457-2200 in Helena
www.newwesthealth.com

PEAK HEALTH PLAN
Customer Service/Benefits/Claims: 1-866-368-7325 (PEAK)
Provider Network: 1-888-256-6556
Prior authorization/Pre-certification: 1-866-275-7646
www.healthinfontmt.com

Medical plans customer service and claims processing questions

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PHARMACARE
1-888-347-5329
www.pharmacare.com

Prescription drug refills, customer service, prior authorizations, and quantity overrides.

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RELIANT BEHAVIORAL HEALTH (RBH)
1-866-750-0512
www.ReliantBH.com

EAP Services, counseling appointments & referrals, legal & financial resources

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UNUM LIFE INSURANCE COMPANY
1-800-227-4165
www.unum.com/enroll/stateofmontana

Long-term care claims and information.

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VSP
1-800-877-7195
www.vsp.com

Vision benefit plan and related services